

REMARKS

The Examiner is thanked for granting Applicant's representative a telephone interview on August 26, 2008, to discuss the pending claims and the cited references.

Claims 1-20 are pending and are rejected under 35 U.S.C. §103(a) as being unpatentable over *Tushie et al.* (U.S. Pat. No. 6,014,748) in view of *Harms et al.* (U.S. Pat. No. 6,070,147), and further in view of *Anderson et al.* (U.S. Pat. No. 5,884,289). Claims 1 and 11 are amended.

In the previous response, claims 1 and 11 were amended to recite smart card features. These smart card features are presently amended to further clarify that they are instructions. The claims now recite:

- 1) account feature instructions associated with account usage,
- 2) authorization control instructions relating to risk management checks, and
- 3) low-value payment instructions for rapid transaction processing.

Claim 1 now recites that a smart card feature and the feature's corresponding output data value configures a smart card so that the card can operate on its own or independently and without instructions from the issuer with respect to the specific smart card feature. Thus, when the smart card is used by the card holder and a specific smart card feature is invoked or becomes an issue, the card (or the merchant) does not receive any instructions from the card issuer with regard to that specific feature. Claim 11 now recites a generating step where a smart card is generated using a smart card feature and the feature's corresponding output data value so that the card can operate on its own and without instructions from the issuer with respect to the specific feature. Support for these amendments may be found, for example, on page 11, lines 13 to 22, and throughout the disclosure on pages 18 to 26 where various smart card features and their functionalities are described.

The Office Action asserts that the account feature data associated with account usage limitation of the claimed invention is disclosed in the *Anderson* reference. However, Applicant was not able to find any mention of an account usage feature in the reference. The Office Action

also asserts that *Anderson* discloses the authorization control feature data providing instructions relating to risk management checks limitation of the claimed invention. The reference discloses fraud detection and control, and discusses cardholders who may be at risk of additional fraudulent transactions.

The Office Action states that account name and account number as disclosed in the *Tushie* reference teaches smart card features. The account number, account name, and other data relating to a cardholder's account are not default values for smart card features. The term "feature" as used in the context of the claimed invention is not equivalent to account-related data or information.

Reconsideration of this application and issuance of a Notice of Allowance at an early date are respectfully requested. If the Examiner believes a telephone conference would in any way expedite prosecution, please do not hesitate to telephone the undersigned at (612) 252-3335.

Respectfully submitted,
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